


RESOLUTION NO. 2012-04

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF SEDONA, ARIZONA,
AMENDING THE SEDONA CITY CODE BY ADDING A NEW CHAPTER 3.20 (COLLECTION OF
DELINQUENT AMOUNTS OWED TO THE CITY)**

Be it resolved by the mayor and council of the City of Sedona, Arizona that the provisions set forth in that document attached hereto as exhibit a and entitled "2012 Amendments to the Sedona City Code Regarding Collection of Delinquent Amounts Owed to the City" constitute a public record to be incorporated by reference into Ordinance No. 2012-03.

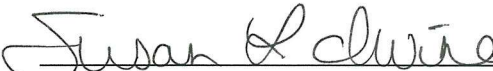
At least three (3) copies of this public record shall be kept in the office of the City Clerk for public use and inspection.

PASSED AND ADOPTED by the Mayor and Council of the City of Sedona, Arizona this 10th day of January, 2012.




Robert M. Adams, Mayor

Attest:



Susan L. Irvine, City Clerk

Approved as to Form:



Mike Goimarac, City Attorney

EXHIBIT A
2012 AMENDMENTS TO THE SEDONA CITY CODE REGARDING
COLLECTION OF DELINQUENT AMOUNTS OWED TO THE CITY

CHAPTER 3.20

COLLECTION OF DELINQUENT AMOUNTS OWED TO THE CITY

SECTION:

| | |
|------------------|---|
| 3.20.010: | APPLICABILITY |
| 3.20.020: | DEFINITIONS |
| 3.20.030: | SINGULARITY OF DEBT; SET-OFF |
| 3.20.040: | LIMITATIONS ON OBTAINING NEW LICENSES, SERVICES OR BENEFITS UNTIL DEBT IS PAID |
| 3.20.050: | PERSONAL LIABILITY; PRESUMPTIONS |
| 3.20.060: | LIMITATION ON RELATED PARTY OBTAINING LICENSES, SERVICES, OR BENEFITS |
| 3.20.070: | CHANGE OF BUSINESS ENTITY FORM; CONTINUATION OF PRIOR LIABILITY |
| 3.20.080 | COLLECTION CHARGES |

3.20.010 APPLICABILITY.

The provisions of this Chapter shall apply unless expressly precluded by law.

3.20.020: DEFINITIONS.

For purposes of this Chapter, the following words and phrases shall have the meaning set forth herein.

- A. **BUSINESS** means all activities engaged in and caused to be engaged in with the object of gain, benefit or advantage, either direct or indirect.
- B. **COLLECTOR** means the Tax Collector or any City officer, manager or employee responsible for the collection of amounts owed to the City.
- C. **TRANSFER** means the change in ownership or control over the day-to-day activities of the business.
- D. **PERSON** means an individual, partnership, limited partnership, limited liability company, corporation, trust, joint venture, or any other association of two or more persons who have as their objective a common gain, benefit, or advantage.
- E. **RELATED PARTY** means any person who has a commonality of business interest with any other person through their status as an identified person liable under Section 03.20.050(D) within such other person.

3.20.030: SINGULARITY OF DEBT; SET-OFF

A debt owed by a person to any City department or area of operation shall be subject to set-off against any credit, refund, deposit or payment owing to such person by the same or any other City department or area of operation.

3.20.040: LIMITATIONS ON OBTAINING NEW LICENSES, SERVICES OR BENEFITS UNTIL DEBT IS PAID.

- A. Any person who has a current debt related to any open or closed account maintained or formerly maintained with the City shall be ineligible to receive any new or additional licenses, permits, services or benefits from the City until such debt has been resolved to the satisfaction of the City.

- B. This limitation includes, but is not limited to, the following situations:

Establishing a commercial or residential utility account;

Obtaining any license or permit issued pursuant to the Sedona City Code or Sedona Land Development Code;

Obtaining or extending any building permit;

Extending any application for a building permit pursuant.

3.20.050: PERSONAL LIABILITY; PRESUMPTIONS

- A. Every person with a duty, at any time, to account for and pay over any tax or other amount owed the City, every person who has control or supervision over the payment of any tax or other amount owed the City and every person who has been charged with the responsibility to pay over any tax or other amount owed the City shall be personally liable, jointly and severally, for any additional monies not paid to the City.
- B. The dissolution, termination or withdrawal from the City of any person shall not affect or discharge the personal liability established by Subsection A.
- C. The cessation of business by any person shall not affect or discharge the personal liability created by Subsection A.
- D. For purposes of Subsection A, there shall be a rebuttable presumption that the following persons have a duty to account for and pay over tax and any other amount owed the City.

| | <u>BUSINESS FORM</u> | <u>PERSONS LIABLE</u> |
|----|-----------------------------|---|
| 1. | Sole Proprietorship | The Proprietor |
| 2. | Partnership | Each Partner |
| 3. | Limited Partnership | General Partner |
| 4. | Joint Venture | Each participant in the joint venture |
| 5. | Corporation | Any officer with control over the activity giving rise to the debt |
| 6. | Limited Liability Company | Each member, manager, or officer |
| 7. | Trust | Any trustee |
| 8. | Other Association | Any individual with control over the activity giving rise to the debt |

3.20.060: LIMITATION ON RELATED PARTY OBTAINING LICENSES, SERVICES, OR BENEFITS.

- A. Any related party to any person liable for tax or any other amount owed to the City pursuant to Section 3.20.050 shall not obtain any additional licenses, services, or benefits until all underlying liabilities have been resolved to the City's satisfaction.

- B. Regarding the administration of the above provision for Limited Liability Companies (LLC), once the LC's account is delinquent, neither any member of such LLC nor any other LLC of which he may also be a member shall obtain new or addition City licenses, services, or benefits.

3.20.070 CHANGE OF BUSINESS ENTITY FORM; CONTINUATION OF PRIOR LIABILITY.

If any business entity changes its form of doing business, including but not limited to, a change from sole proprietorship to corporation or LLC, or dissolution of a partnership or corporation, while continuing to do business under substantially the same management and control, the liability of the original entity shall remain on such new entity, and shall further attach and become a lien upon the assets of and a liability of the new business entity.

3.20.080 COLLECTION CHARGES.

Any person who has a delinquent account maintained by the City will also be responsible for all costs incurred by the City in collecting those delinquent funds. This includes a reasonable charge for staff time and any direct costs incurred.